

SENATE BILL NO. 225

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Introduced: 3/14/12

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the endow Alaska grant program in the Department of Commerce,
2 Community, and Economic Development to encourage community development."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 44.33 is amended by adding new sections to read:

5 **Article 2A. Endow Alaska Grant Program.**

6 **Sec. 44.33.150. Grants for community development.** The endow Alaska
7 grant program is established in the Department of Commerce, Community, and
8 Economic Development. To encourage community development in the state, the
9 department may identify a statewide lead philanthropic entity that meets the
10 requirements of AS 44.33.160 and grant the entity state funds that the entity may
11 annually award to a community foundation or community foundation affiliate as
12 endow Alaska grants to increase endowed funds, the purpose of which would be
13 unrestricted.

14 **Sec. 44.33.160. Eligibility requirements for lead philanthropic entities and**

1 **grant recipients.** (a) To be eligible under AS 44.33.150, a lead philanthropic entity
2 must be

3 (1) a nonprofit entity exempt from federal income taxation under 26
4 U.S.C. 501(c)(3) (Internal Revenue Code);

5 (2) a statewide organization whose principal function is to make grants
6 in the state; and

7 (3) a community foundation.

8 (b) Only a community foundation or a community foundation affiliate is
9 eligible for a grant under AS 44.33.150 - 44.33.190.

10 **Sec. 44.33.170. Ranking of applications and awarding of grants.** (a) When
11 ranking applications for grants, the board of the lead philanthropic entity shall
12 consider relevant factors including

13 (1) the need for financial assistance;

14 (2) the potential for future philanthropic activity in the community or
15 geographic area that will benefit from the grant;

16 (3) the percentage of matching funding proposed;

17 (4) the opportunity to establish new community foundations or
18 community foundation affiliates; and

19 (5) the geographic diversity of the communities or geographic areas
20 that will benefit from the grants.

21 (b) The board of the lead philanthropic entity may award endow Alaska grants
22 to a community foundation or a community foundation affiliate that

23 (1) provides all information the board requires, including evidence of
24 the existence of the community foundation or the community foundation affiliate;

25 (2) demonstrates, in a manner approved by the board, the ability to
26 match state funding at a ratio of at least one-to-one; and

27 (3) provides a spending policy for distributing grant money to
28 organizations within the community or geographic area as defined by the community
29 foundation or the community foundation affiliate.

30 **Sec. 44.33.180. Limitations on grant amounts, awards, and administrative**
31 **costs.** (a) Endow Alaska grants are limited as follows:

1 (1) grants may not exceed \$25,000 annually for each foundation or
2 community foundation affiliate unless the grant will be used to benefit multiple
3 boroughs or a region;

4 (2) only five percent of the grant funds received by the lead
5 philanthropic entity may be used for administrative purposes by the lead philanthropic
6 entity.

7 **Sec. 44.33.190. Definitions.** In AS 44.33.150 - 44.33.190,

8 (1) "community foundation" means a tax-exempt, nonprofit,
9 autonomous, publicly supported, philanthropic institution in the state composed
10 primarily of permanent funds established by many separate donors for the long-term
11 diverse, charitable benefit of the residents of a defined geographic area;

12 (2) "community foundation affiliate" means a group of five or more
13 community leaders or advocates organized for the purpose of increasing philanthropic
14 activity in an identified community or geographic area in the state who have
15 established or intend to establish a community foundation affiliate endowment within
16 an existing community foundation;

17 (3) "department" means the Department of Commerce, Community,
18 and Economic Development;

19 (4) "lead philanthropic entity" means an entity identified by the
20 department under AS 44.33.150 that meets the requirements of AS 44.33.160.